

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 24, 2003

FROM: **DAVID H. SLAUGHTER**, Director
Real Estate Services Department

CAROL ANSELM, Assistant County Administrator
Human Services System

SUBJECT: **SUBLEASE AGREEMENT WITH COMMUNITY SERVICES DEPARTMENT OF SAN BERNARDINO**

RECOMMENDATION: Approve a one-year sublease agreement with Community Services Department of San Bernardino, a non-profit corporation (CSDSB) for 11,100 square feet of storage and inventory distribution space from July 1, 2003 through June 30, 2004 for revenue in the amount of \$59,940.

BACKGROUND INFORMATION: Human Services System (HSS) currently leases 24,735 square feet of storage and inventory distribution space at 433 and 435 S. Waterman Avenue in San Bernardino. On July 22, 2002, the County Administrative Office (CAO) approved Capital Improvement Program Request No. 02-61 submitted by HSS for the Community Services Department (CSD) for 15,000 square feet of storage space in the San Bernardino area. Per County Policy 08-02-01, the Real Estate Services Department (RESO) used the Solicitation of Proposal (SOP) process. Staff from RESO, CSD, and HSS reviewed five potential sites. Prior to completion of the SOP, HSS staff reviewed their existing warehouse space. They determined that by moving files and inventory to the new HSS warehouse in Colton from the existing warehouse at 435 S. Waterman Avenue, they could accommodate CSD's warehouse space needs.

To accommodate the CSD request, HSS agreed to vacate 11,100 square feet at 435 S. Waterman and sublease that space to CSDSB as of July 1, 2003, when CSDSB assumes the duties and responsibilities of CSD. On April 1, 2003, the Board approved the transition of CSD to an entity separate from the County effective July 1, 2003.

If CSDSB relocates to another facility, HSS will move files and inventory from other current locations as leases terminate and occupy this space until the lease expires. The terms of the sublease are summarized as follows:

Sublessee:	Community Services Department of San Bernardino 686 East Mill Street, San Bernardino, CA 92415
Location:	435 S. Waterman Avenue (Suites E-M) in San Bernardino
Size:	11,100 square feet
Term:	One year commencing July 1, 2003
Options:	None

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	<u>Cost per sq. ft. per month</u>	<u>Monthly</u>	<u>Annual</u>
Rent:	\$0.45*	\$4,995	\$59,940
	*Mid range for the San Bernardino area		
Improvement costs:	None		
Custodial:	Provided by CSDSB		
Maintenance:	Exterior provided by Master Lessor (Vanir Development Company, Inc.); interior provided by CSDSB		
Utilities:	Provided by CSDSB		
Right to terminate:	CSDSB has the right to terminate with 60-days written notice; County has the right to terminate in the event the Master Lease is terminated		
Parking:	Sufficient for CSDSB needs		

REVIEW BY OTHERS: This item has been reviewed by County Counsel (Rex Hinesley, Chief Deputy County Counsel) on June 10, 2003 and the County Administrative Office (Daniel R. Kopp and Gary Morris, Administrative Analyst) on June 17, 2003.

FINANCIAL IMPACT: The total revenue to be received by HSS Administration (AAA DPA) in 2003-04 for this one-year sublease is \$59,940.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's and RESD's proposal, and recommends this action because this sublease will help facilitate the initial consolidation of HSS's storage and inventory locations in San Bernardino, accommodate the storage needs of CSDSB, and provide income to offset rent paid by the County for this facility.

SUPERVISORIAL DISTRICTS: Fifth

PRESENTER: David H. Slaughter, Director, 7-7813

DH 7-7841 mf 7-7825